

NATIONAL FOREIGN ASSESSMENT CENTER

WASHINGTON, D. C. 20505

Director

8 June 1981

The Honorable Donald P. Hodel
Under Secretary of the Interior
Washington, D.C. 20240

Dear Mr. Hodel:

I am writing on behalf of the Central Intelligence Agency and its National Foreign Assessment Center to urge that the World Energy Program of the US Geological Survey be continued. We recently learned that this program may be left unfunded for FY 1982 and FY 1983. Basic geologic research on Soviet and Chinese petroleum and on Soviet uranium by USGS plays an important role in supporting our estimates of the energy outlook for those countries. Loss of this support will hurt CIA's research effort.

Since its inception, the World Energy Program has been a steady contributor to our estimates of Soviet oil prospects. More recently, the program has shown the promise of assisting us in a similar way with our analyses of the Chinese oil situation and of Soviet uranium supplies. As you are well aware, these research areas reflect key intelligence topics of keen interest to policymakers. The contribution from USGS is now more important than ever. Increasingly the Soviets—as well as other countries—have limited our access to data that would allow CIA to make accurate estimates of their energy supplies. To fill the gap, our analysts have designed estimative methodologies that depend on detailed geologic and engineering assessments for their validity. In this process, we have looked to the World Energy Program for a significant portion of the basic geologic data and associated analysis they need to make their estimates.

Consequently we believe the World Energy Program—and, in particular, its research on Soviet and Chinese energy sources—is an important effort that needs to continue. That such research is performed at USGS only increases its worth in terms of quality and professional acceptance, and we are convinced that this contribution would be difficult to replace.

Sincerely,

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John McMahon